

City of Detroit

CITY COUNCIL

IRVIN CORLEY, JR.
FISCAL ANALYST
(313) 224-1076

FISCAL ANALYSIS DIVISION
Coleman A. Young Municipal Center
2 Woodward Avenue, Suite 218
Detroit, Michigan 48226
FAX: (313) 224-2783
E-Mail: cc-fiscal@ci.detroit.mi.us

ANNE MARIE LANGAN
ASSISTANT FISCAL ANALYST
(313) 224-1078

TO: COUNCIL MEMBERS

FROM: Irvin Corley, Jr., Director *ICJ.*

DATE: April 26, 2007

RE: Departmental Fees for Council Approval (**Recommend Approval**)
Line Item 15 on Today's Calendar

There are currently fee proposals from Department of Public Works (DPW), Fire, Police, and Health & Wellness before your Honorable Body for approval.

Council will first recall that on January 18th, there was a discussion on Maximus fee studies. During the discussion, Maximus representatives explained the methodology used to study fees in six departments, namely, DPW, Fire, Police, Health & Wellness Promotion, Planning and Development, and Recreation.

In addition, Maximus explained the rationale for recommending fee increases or new fees in these departments. In general, the fee increases or new fees were recommended to better cover, or substantially cover, the full unit cost of a service provided. Since most fees are charged to specific people or groups for a desired service, it is argued that fees should cover more the cost of providing the service. This is especially true as the City faces dwindling federal, state and local resources. In addition, Maximus found that many departmental fees had not changed over 15 to 20 years.

Furthermore, Maximus recognized that in many cases, a recommended fee was substantially higher than the existing fee. In those cases, the City may decide it would be more prudent to raise a fee gradually over time to avoid a "sticker shock" affect on the citizens or businesses located in the Detroit.

Council will secondly recall that representatives from DPW, Fire, Police, and Health & Wellness were present at the January discussion to discuss their individual fee proposals. A copy of the proposals from each department is attached, along with additional information in some cases. A resolution authorizing the fee proposals for Council's consideration is included as well.

Based on the information provided, and the explanations provided by the departments during the January discussion, I recommend approval of the fee proposals.

Council should note too that the current 2006-07 budget for DPW and Police contains the fee increases proposed. I also recall Pam Scales, Budget Director, informing me she expected these fees would generate approximately \$1.1 million for this fiscal year. Obviously, with only a little more than two months left in the fiscal year, this projection would not be met.

Attachments

cc: Council Divisions
Auditor General's Office
Roger Short, Chief Financial Officer
Pamela Scales, Budget Director
Cathy Square, DPW Director
Tyrone Scott, Fire Commissioner
Ella Bully-Cummings, Police Chief
Dr. Phyllis Meadows, Health & Wellness Director
Kandia Milton, Mayor's Officer

File
6/5/06
CITY OF DETROIT
DEPARTMENT OF PUBLIC WORKS
ADMINISTRATION DIVISION

NOTE TO COUNCIL:
THIS MATTER WILL BE
BROUGHT INTO COMMITTEE
ON TUESDAY MAY 23 2006

COLEMAN A. YOUNG
MUNICIPAL CENTER
2 WOODWARD AVE., SUITE 513
DETROIT, MICHIGAN 48226
PHONE 313-224-3900
FAX 313-224-1464
WWW.CI.DETROIT.MI.US

April 7, 2006

Detroit City Council
1340 CAYMC
Detroit, Michigan

**Re: Proposed Resolution to Establish Fees for Certain Services Provided
by the Department of Public Works**

Honorable Detroit City Council:

Section 9-507 of the 1997 Detroit City Charter provides that any agency of the City may, with the approval of City Council, charge service fees for any services provided, by the agency. Accordingly, and in conjunction with certain provisions of the 1984 Detroit City Code concerning fees, the Department of Public Works has reviewed the fees charged to the public for certain services. Our review, along with a User Fee Study conducted by the firms of Maximus and Pierce and Monroe & Associates, LLC, has determined that because of the costs incurred by the City in delivering certain services to the public, reasonable fees should be established to facilitate the Department continuing to provide these services. Further, our review reveals that other communities have established similar service fees to help recover the costs of providing these services to the public.

Specifically, the Department of Public Works is recommending that fees be established for the following services:

CITY ENGINEERING

- Plan Review \$500.00/per day
- Right of Way Petitions \$500.00/100 LFT
- Address Lookups \$5.00/four parcels

STREET MAINTENANCE

- Barricade Replacement \$10.00/per 4 barricades

Attached is a proposed resolution and fee schedule for this Body's review, consideration, and approval. We request that this matter be placed on this Body's agenda as soon as possible. We are available to answer any questions that this Body may have concerning these proposed service fees.

Thank you for your consideration of this matter.

Respectfully submitted,

Cathy Square
Cathy Square, Director
Department of Public Works

Approved:

[Signature]
Budget Director

[Signature]
Finance Director

Attachment

APPROVED	
<i>[Signature]</i>	MAY 11 2004
<i>[Signature]</i>	BUDGET DIRECTOR
<i>[Signature]</i>	FINANCE DIRECTOR

PROPOSED SERVICE FEES*

Division	Service	Fee
City Engineering	Plan Review	\$500.00/per day
	Right-Of-Way Petitions	\$500.00/100 linear ft
	Address Lookups	\$5.00/four parcels
Street Maintenance	Barricade Placement	\$10.00/per 4 barricades

*Currently there are no fees being provided for these services.

RESOLUTION

BY COUNCIL MEMBER _____:

WHEREAS, Section 50-7-2, 50-7-3 and 22-1-1 of the 1984 Detroit City Code as amended, authorize the Director of the Department of Public Works to charge a fee to petitioners upon request to investigate and modify rights-of-way, recover administration costs for the review of design plans to insure that they meet the current standards of the City of Detroit.

WHEREAS, Section 9-507 of the 1997 Detroit City Charter authorizes any department or agency of the City to charge a service fee with the approval of the Detroit City Council; and

WHEREAS, The Department of Public Works believes that it is in the best interest of the City of Detroit to adopt fee schedules for services provided by the Department in processing of Right-of-way petitions by commercial establishments and developers, plan reviews, address lookups regarding particular parcels of property within the City, and barricade placement for special events.

WHEREAS, the user fee study and other information indicates that other communities have established similar fees to help recover the costs of providing these services to the public; and

WHEREAS, The Department of Public Works believes that the proposed fees are reasonable and are consistent with the need for the City to recover the City's costs of providing these services to the public.

THEREFORE BE IT RESOLVED, that the Detroit City Council hereby approves the attached fee schedule as established by the Department of Public Works

CITY OF DETROIT
DEPARTMENT OF PUBLIC WORKS
ADMINISTRATION DIVISION

NOTE TO COUNCIL:
THIS MATTER WILL BE
BROUGHT INTO COMMITTEE
ON FRIDAY JUL 14 2006

COLEMAN A. YOUNG
MUNICIPAL CENTER
2 WOODWARD AVE., SUITE 513
DETROIT, MICHIGAN 48226
PHONE 313-224-3900
FAX 313-224-1464
WWW.CI.DETROIT.MI.US

June 30, 2006

Honorable Council Member Sheila M. Cockrel

Re: DPW User Fee Increases

In response to your memorandum dated June 7, 2006, the Department of Public Works (DPW) submits the following response to the above referenced matter.

1. The (3) three fees proposed for City Engineering and the (1) one fee for Street Maintenance were **new** fees recommended by the Maximus study. They were requested because of the expense in performing these activities and added to budgetary expected revenue. The fee **increases** recommended by Maximus have already been implemented. Law Department opinion stated City Council approval for these fees was not required.
2. Fee implementation for all recommended changes (except the new four) has occurred. The only adjustment was the barricades for Street Maintenance; four barricades for \$10.00 instead of \$10.00 per barricade.
3. Per Law Department Opinion existing fees did not require City Council approval for increase. The fees were increased.

Sincerely,

**CITY OF DETROIT
DEPARTMENT OF PUBLIC WORKS**

Cathy Square
Cathy Square
Director

CS/jmw

cc: Kandia Milton, Mayor's Office

Copy given Council
07-12-06 (RJ)

GROW

FILE
CITY OF DETROIT
DEPARTMENT OF PUBLIC WORKS
ADMINISTRATIVE DIVISION • DIRECTOR'S OFFICE

NOTE TO COUNCIL:
THIS MATTER WILL BE BROUGHT INTO
COMMITTEE ON THURSDAY JAN 4, 2007
(COPY OF THIS DOCUMENT HAS BEEN
FORWARDED TO EVERY COUNCIL MEMBER)

COLEMAN A. YOUNG
MUNICIPAL CENTER
2 WOODWARD AVE., SUITE 513
DETROIT, MICHIGAN 48226
PHONE 313-224-3900
FAX 313-224-1464
WWW.CI.DETROIT.MI.US

November 29, 2006

Honorable Council Member Sheila M. Cockrel:

RE: Proposed Resolution to Establish Fees for Certain Services Provided by the Department of Public Works

The Department of Public Works (DPW) submits the following in response to the questions posed at the City Council Table on November 16, 2006 by Council Member Sheila M. Cockrel regarding the above referenced matter.

1. Question:

What incentive does the City Engineering Division (CED) of the Department of Public Works (DPW) have to review the plans in one day?

1. Answer:

Most street right-of-way design plans cannot be completed in one (1) day. Most design plans may require several reviews and most require at least two (2). Five (5) days or forty hours (40) is an estimate of the average time per review, which varies depending on the size of the project and on how familiar the design consultant, is with the City specifications and requirements.

Prior to CED supervisor assigning the project to an employee, the supervisor surveys each plan that is submitted to CED for review. With the knowledge and experience that the supervisor possesses he/she can approximate how much time the plan review should require which is given to the consultant in writing. The employee must report any delays or problems encountered during the review to the supervisor as well as account for the time spent on all projects weekly via a project time sheet.

Please also be informed that the resolution that was submitted to council was forwarded to the Law Department and approved prior to submitting the resolution to City Council. The fees were also requested and approved in the DPW Budget and added to the Budget as revenue for DPW that was scheduled to begin July 1, 2006.

Should you have any questions or require additional information, please contact my office at 313.224-3901.

Sincerely,

CITY OF DETROIT
DEPARTMENT OF PUBLIC WORKS

Cathy Square
Director

CS/jmw

cc: Kandia Milton, Mayor's Office

KWAME M. KILPATRICK, MAYOR

Copy given Council

ON FRIDAY JUL 28 2006

June 22, 2006

Detroit City Council
1340 CAYMC
Detroit, Michigan

Re: Proposed Resolution to Establish Certain Service Fees for the Fire Department

Honorable Detroit City Council:

Section 9-507 of the 1997 Detroit City Charter provides that any agency of the City may, with the approval of City Council, charge service fees for any services provided, by the agency.

Pursuant to the above, the Fire Department has reviewed current fees charged to the public for certain services. Our review, along with a User Fee Study conducted by the firms of Maximus and Pierce and Monroe & Associates, LLC, The Fire Department has determined that because of the costs incurred by the City in delivering the subject services, fees must be established to facilitate the City continuing to provide these services. Further, our review reveals that other communities have established similar fees to help recover the costs of providing these services to the public

Specifically, the Fire Department is recommending that fees be established for the following services:

Extrications: The Fire Department is often required to remove persons from motor vehicles, machines, and excavations in emergency situations. This process involves the use of specialized equipment, including hydraulic tools and portable pumps, and requires several firefighters. The Fire Department does not currently charge a fee for such services, which are rendered over a thousand times each year. The Fire Department recommends that a fee of three hundred dollars (\$300.00) for each extrication be established.

Down power lines: The Fire Department spends significant resources in protecting the public from downed power lines on public and private property. Fire Department does not currently charge a fee for this service. The Fire Department recommends that a fee of eight hundred fifty-two dollars (\$852.00) per event be established for this service.

We request that this matter be placed on this Body's agenda for consideration and approval as soon as possible. We are available to answer any questions that this Body may have concerning this proposed resolution and fee schedule. Thank you for your consideration of this matter.

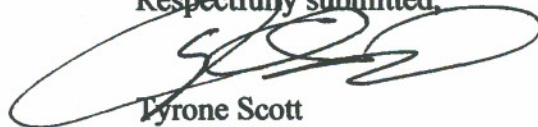
FRIDAY JUL 28 2006

KWAME M. KILPATRICK, MAYOR

Copy given Council


Auth orige Schedule Use (more) in oct
- 10-5-06 @ 10:00 am 7/27/06 (JR)


Respectfully submitted,



Tyrone Scott
Executive Fire Commissioner

Approved:


Deputy Budget Director


Finance Director

Attachment

RESOLUTION

BY COUNCIL MEMBER _____ :

WHEREAS, Section 9-507 of the 1997 Detroit City Charter provides that any agency of the City may, with the approval of City Council, charge service fees for any services provided, by the agency;

WHEREAS, the Fire Department has reviewed current fees charged to the public for certain services and a User Fee Study conducted for the City by the firms of Maximus and Pierce and Monroe & Associates, LLC;

WHEREAS, Fire Department has determined that because of the costs incurred by the City in delivering certain services, which include emergency extrications and responding to down power lines, fees must be established to facilitate the City continuing to provide these services;

WHEREAS, Fire Department has determined that several other communities have established similar fees to help recover the costs of providing these services to the public; and

WHEREAS, Fire Department believes that the proposed fees are reasonable and are consistent with the need for the City to recover the City's costs of providing these services to the public.

THEREFORE BE IT RESOLVED, that the Detroit City Council hereby approves the attached fee schedule as established by the Fire Department with respect to emergency extrications and downed power lines.

**CITY OF DETROIT
FIRE DEPARTMENT
SERVICE FEE SCHEDULE**

PROPOSED

Emergency extrications	\$300 per extrication
Downed power lines	\$852 per incident

File
0506

DETROIT POLICE DEPARTMENT
CHIEF ELLA M. BULLY-CUMMINGS

NOTE TO COUNCIL:
THIS MATTER WILL BE
BROUGHT INTO COMMITTEE
ON TUESDAY MAY 23 2006

1300 BEAUBIEN, SUITE 303
DETROIT, MICHIGAN 48226
PHONE 313•596•1800
CHIEFOFPOLICE@DPDHQ.CI.DETROIT.MI.U

April 24, 2006

The Honorable Detroit City Council
Coleman A. Young Municipal Center
2 Woodward Avenue, Suite 1340
Detroit, Michigan 48226

**SUBJECT: Proposed Resolution to Approve User Fees for Certain
Services Provided by the Detroit Police Department
(DPD)**

Honorable City Council:

Section 9-507 of the 1997 Detroit City Charter provides that, with the approval of City Council, any agency of the City may charge service fees for any services provided by the agency. Accordingly, and in conjunction with certain provisions of the 1984 Detroit City Code, and the findings of the *User Fee Study* conducted by the firms of Maximus, Inc., and Pierce, Monroe & Associates, LLC, the Detroit Police Department has reviewed fees currently charged to the public.

In compiling the aforementioned *User Fee Study*, the firms examined direct labor costs, divisional and departmental supervision and administration, and supplies and material costs for the purpose of identifying the full cost and current level of subsidy associated with the particular service provided by the Detroit Police Department. It is our opinion that this fee study provides a basis to establish fees which are proportionate to the necessary costs of the service, for certain services that the Department has not previously charged the public. Also, the *User Fee Study* provides a comparative cost of service in other jurisdictions for same or similar services.

Therefore, the Detroit Police Department (DPD) is recommending that user service fees be established for the following services that are currently provided at no charge to the public:

Handgun Permit and Registration Fee

Section 38-10-2 of the 1984 Detroit City Code provides that the Chief of Police shall institute non-refundable fees or charges for the processing of

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permits to purchase and registration certificates for pistols. This section of the City Code also provides that the "nonrefundable fees or charges shall be determined by the actual cost to the Police Department [in] processing a permit to purchase application and registration certificate." The *User Fee Study* projects that the unit cost to the DPD in providing this service is \$21.98. The DPD recommends that a fee of \$22.00 for each handgun permit application and registration application be established. Approximately 3,000 such permits and applications are processed by the DPD each year.

Liquor Licensee Investigations – Corporate Applications

In conjunction with the Michigan Liquor Control Commission (MLCC), the DPD reviews and investigates applications from corporations for liquor licenses in the city each year. The DPD Liquor License unit conducts approximately 285 investigations concerning applications filed with the MLCC from corporations for the transfer of liquor licenses in the city. The DPD recommends that a fee of \$2,000 be established to recover the costs associated with each of these license investigations.

Liquor Licensee Investigations – Individual Applicaitons

Each year, the DPD Liquor License unit conducts approximately 50 investigations concerning applications filed with the MLCC by individuals for liquor licenses in the city. The DPD recommends that a fee of \$750.00 be established to recover the costs associated with each of these license investigations.

Liquor Licensee Investigations – 24-Hour Temporary Permits

Each year, the DPD Liquor License unit conducts approximately 300 investigations concerning applications from nonprofit organizations for 24-hour temporary MLCC liquor licenses. The DPD recommends that a fee of \$100.00 be established to recover the costs associated with each of these license investigations.

Vehicle for Hire License Applications

Pursuant to Chapter 58, Article II, of the 1984 Detroit City Code, all vehicles for hire must have a license that is issued by the Consumer Affairs Department. The DPD Public Vehicle unit reviews approximately 2,000 applications each year concerning the renewal or transfer of city vehicle for hire

licenses for taxicabs, limousines, and luxury sedans. The DPD recommends that a fee of \$10.00 per review be established to recover the costs associated with each of these reviews.

Vehicle Identification Number Inspection

Vehicle Identification Number (VIN) inspections are often required by the Michigan Secretary of State in order for an owner to register a vehicle. The DPD currently performs approximately 9,500 visual VIN inspections each year. The DPD recommends that a fee of \$50.00 per inspection be established to recover the costs associated with each of these inspections.

"Cop View" Videos on CD ROM

DPD vehicles are equipped with video cameras that record traffic stops and other police activity. Additionally, police observation areas (holding cell areas) are equipped with video cameras that record activity of persons being held in criminal matters. The DPD receives numerous subpoenas for copies of these videos. Copies of these videos are currently being provided on CD ROM to the public and for litigation purposes. The DPD recommends that to recover the costs of providing this service, a fee of \$55.00 for the first CD ROM be established, and that a fee of \$30.00 for any additional CD ROM's for the same event be established.

Attached is a proposed resolution and fee schedule for your Body's review, consideration, and approval. We request that this matter be placed on your Body's agenda as soon as possible.

Should you have any further questions regarding this matter, please feel free to contact me at 596-1800, Monday through Friday, 8:00 a.m. to 5:00 p.m.

Sincerely,


ELLA M. BULLY-CUMMINGS
Chief of Police

Page 4

Budget Director

Finance Director

Attachment

RESOLUTION

BY COUNCIL MEMBER

WHEREAS, Section 9-507 of the 1997 Detroit City Charter provides that, with the approval of City Council, any agency of the City may charge service fees for any services provided by the agency;

WHEREAS, the Detroit Police Department has reviewed current fees charged to the public for certain services and a *User Fee Study* conducted for the City by the firms of Maximus, Inc., and Pierce, Monroe & Associates, LLC;

WHEREAS, in compiling the *User Fee Study*, the firms examined direct labor costs, divisional and departmental supervision and administration, and supplies and material costs for the purpose of identifying the full cost and current level of subsidy associated with the particular service provided by the Detroit Police Department;

WHEREAS, the *User Fee Study* provides a basis to establish fees for certain services, which are proportionate to the necessary costs of the service, that the Detroit Police Department has not previously charged the public;

WHEREAS, the Detroit Police Department has determined that because of the costs incurred by the City in delivering certain services, user fees should be established to facilitate the City continuing to provide these necessary services;

WHEREAS, the *User Fee Study* and other information indicate that other communities have established comparable user fees to help recover the costs of providing these services to the public; and

WHEREAS, the proposed fees are reasonable and consistent with the City's need to recover the cost of providing these services to the public.

THEREFORE, BE IT RESOLVED, that the Detroit City Council hereby approves the attached fee schedule as established by the Police Department.

**CITY OF DETROIT
DETROIT POLICE DEPARTMENT
USER SERVICE FEE SCHEDULE**

<u>SERVICE</u>	<u>FEE</u>
<u>Handgun Permit and Registration Fee</u>	\$ 22.00
<u>Michigan Liquor License Investigations</u>	
Corporate Applications	2,000.00
Individual Applications	750.00
24-Hour Temporary Permits	100.00
<u>Vehicle for Hire License Applications</u>	10.00
<u>Vehicle Identification Number (VIN) Inspections</u>	50.00
<u>"Cop View" Videos on CD ROM</u>	
First CD ROM for Event	55.00
Each Additional CD ROM for the Same Event	30.00

CITY OF DETROIT
DEPARTMENT OF HEALTH AND WELLNESS PROMOTION

May 30, 2006

Detroit City Council
1340 CAYMC
Detroit, Michigan 48226

**RE: Proposed Resolution to Establish Fees for Certain Services provided
By the Department of Health and Wellness Promotion**

Honorable Detroit City Council:

Section 9-507 of the 1997 Detroit City Charter provides that any agency of the City may, with the approval of City Council, charge service fees for any services provided by the agency. Accordingly, and in conjunction with Section 24-1-1 of the 1997 Detroit City Code concerning fees, the Department of Health and Wellness Promotion has reviewed the fees charged to the public for certain services. Our review, along with a User Fee Study conducted by the firms of Maximus and Pierce Monroe and Associates, LLC, has determined that because of the costs incurred by the City in delivering certain services to the public, reasonable fees should be established to facilitate the Department continuing to provide these services. Further, our review reveals that other communities have established similar service fees to help recover the costs of providing these services to the public.

Specifically, the Department of Health and Wellness Promotion is recommending that fees be established for the following services:

ANIMAL CONTROL

Dog License Renewal Late Fee \$ 25.00

COMMUNITY & INDUSTRIAL HYGIENE

Second re-inspection	\$120.00
On Site Plan Review/Consultation	120.00
Fumigation Operator/Contractor (Renewal)	25.00
Massage Operator (Renewal)	25.00
Massage Instructor (Renewal)	25.00
*Manufacturers/Distributors Inspection	120.00
*Renovators inspection	120.00
*Fumigator/Sterilizer Inspection	120.00

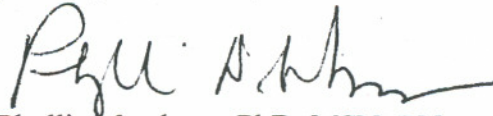
**If Located in Detroit*

Copy given Council *9/18/06*

Detroit City Council
May 30, 2006
Page 2

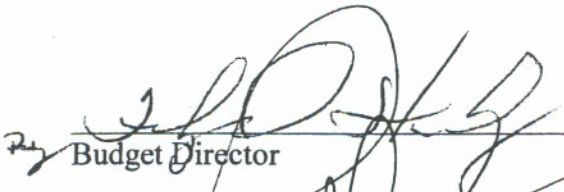
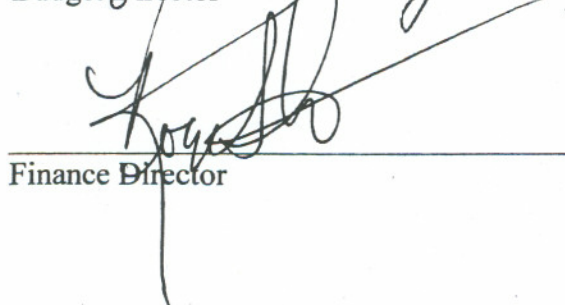
Attached is a proposed resolution and fee schedule for this Body's review, consideration and approval. We request that this matter be placed on this Body's agenda as soon as possible. We are available to answer any questions that this Body may have concerning these proposed service fees.

Respectfully Submitted,



Dr. Phyllis Meadows, PhD, MSN, RN
Director and Health Officer
Department of Health and Wellness Promotion

Approved:


Budget Director
Finance Director



RESOLUTION

BY CITY COUNCIL MEMBER _____

WHEREAS, Section 24-1-1 of the 1984 Detroit City Code as amended, authorize the Director of the Department of Health and Wellness Promotion to establish fee schedules and collection mechanisms for service requests, including laboratory tests, environmental inspections, registrations, permits, certifications, plan reviews, and other activities determined by the public health director, and which are necessary to protect the public health and welfare of the citizens of Detroit.

WHEREAS, Section 9-507 of the 1997 Detroit City Charter authorizes any department or agency of the City to charge a service fee with the approval of the Detroit City Council; and

WHEREAS, The Department of Health and Wellness Promotion believes that it is in the best interest of the City of Detroit to adopt fee schedules for services provided by the Department in processing of license renewals, inspections, and late fees for failing to renew in a timely manner

WHEREAS, the user fee study and other information indicates that other communities have established similar fees to help recover the costs of providing these services to the public; and

WHEREAS, The Department of Health and Wellness Promotion believes that the proposed fees are reasonable and are consistent with the need for the City to recover the City's costs of providing theses services to the public.

THEREFORE BE IT RESOLVED, that the Detroit City Council hereby approves the attached fee schedule as established by the Department of Health and Wellness Promotion.

PROPOSED SERVICE FEES*

DHWP – ANIMAL CONTROL DIVISION

Dog License Renewal Late Fees \$ 25.00

DHWP – COMMUNITY AND INDUSTRIAL HYGIENE DIVISION

Second re-inspection	\$120.00
On Site Plan Review/Consultation	120.00
Fumigation operator/Contractor (Renewal)	25.00
Massage Operator (Renewal)	25.00
Massage Instructor (Renewal)	25.00
*Manufacturers/Distributors Inspection	120.00
*Renovators Inspection	120.00
*Fumigator/Sterilizer Inspection	120.00

**Currently there are no fees being charged for these services.*



CITY OF DETROIT
DEPARTMENT OF HEALTH AND WELLNESS PROMOTION

NOTE TO COUNCIL;
THIS MATTER WILL BE
BROUGHT INTO COMMITTEE

ON MON., OCT. 16, 2006

1151 TAYLOR STREET
DETROIT, MICHIGAN 48202
PHONE 313-876-4000
WWW.CI.DETROIT.MI.US

October 5, 2006

HONORABLE CITY COUNCIL

RE: Status of Health and Wellness Promotion Department submitting proposed resolution to establish fees for certain services provided by the Department

This is in response to inquiries made by your Honorable Body regarding the above mentioned fees. The Department submitted a response to those questions on September 22, 2006. It is our understanding that our response may not have been available to Council members prior to the September 27, 2006 discussion. Thus, we have attached our original response for your review.

Respectfully Submitted,

William J. Ridella
Deputy Director

WJR:bmh

Attachments

cc: Kandia Milton
Irvin Corley
File

DETROIT
CITY CLERK
OCT - 5 P 3:13

City of Detroit

CITY COUNCIL

Kenneth V. Cockrel, Jr.
President

Monica Conyers
President Pro Tem

Sheila M. Cockrel
Barbara-Rose Collins
Brenda Jones
Kwame Kenyatta
Martha Reeves
Alberta Tinsley-Talabi
JoAnn Watson

October 3, 2006

Mayor Kwame M. Kilpatrick
City of Detroit

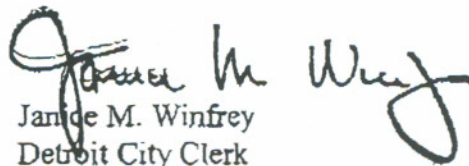
Dr. Phyllis Meadows, Director
Health & Wellness Promotion Department

Mr. Irvin Corley, Director
Fiscal Analysis Division

RE: Status of Health and Wellness Promotion Department submitting proposed resolution to establish fees for certain services provided by Department

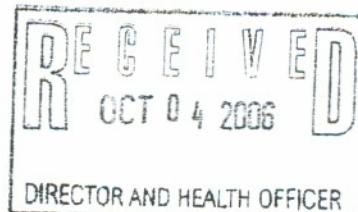
In Committee of the Whole on September 27, 2006, discussion was held relative to the above captioned matter. As a result, the Council has referred it back to your departments and requested a report, as indicated in the attached Clerk's notes. Please submit your report to the Clerk's Office by **Friday, October 6, 2006** as this matter will appear as a line item on Council's calendar on that date.

Very truly yours,


Janice M. Winfrey
Detroit City Clerk

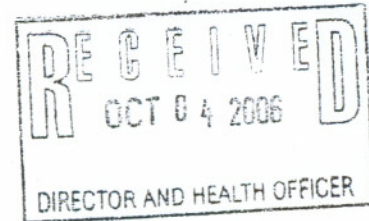
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cc: Mr. Kandia Milton, Mayor's Office



Janice M. Winfrey, City Clerk
200 Coleman A. Young Municipal Center • Detroit, Michigan 48226
(313) 224-3266

COMMITTEE OF THE WHOLE
WEDNESDAY, SEPTEMBER 27, 2006
LINE ITEM #31



STATUS OF HEALTH AND WELLNESS PROMOTION DEPARTMENT
SUBMITTING PROPOSED RESOLUTION TO ESTABLISH FEES FOR CERTAIN
SERVICES PROVIDED BY DEPARTMENT

I. Corley: Before you approve propose fees on the Health & Wellness Promotion Department, we would like further explanation. Some fees that are proposed, we find to be increases, and there's some new fees. I think the global question needs to be answered. Should Council approve not only new fees, but fees that are increased. Personally, I think Council should approve all increases in fees, as well as new fees. This particular proposal had fee increases and new fees.

The other global question is; as you know, the city paid good money to have Maximus come in and review fees for the city. This looks like piece meal. Maximus came up with suggested fees for several services. We sent an e-mail out that had approximately twenty questions to be answered. Again, we asked why was this fee proposed, why wasn't Maximus followed, etc. Again, we asked that the administration answer all of our questions within a week, if possible.

B. Collins: It seems to me that this Council needs to take a day and have a discussion on all fees. Not only Public Health, Buildings & Safety Engineering fees, they are charging citizens a lot of money that they determined on their own what they're going to charge. Public Health had just about ended the ethic festivals, because their inspection fees are so high that people can't afford to rent the booths out to the vendors. We had a man to come in and he told us that's the Michigan State Health Department, then we find out that their fees was something very minimal. They were charging almost \$100 dollars from the city. I don't see that in these fees. We really cannot allow the city to make money off the backs of our citizens. I think we need to go through all of the fees.

K. Kenyatta: This item will be brought back in one week, and it's requested that a discussion on fee analysis be set as soon as possible, any increases by departments overall.

K. Milton: Certainly, we welcome that fee discussion. As it relates to the Maximus study, the Law Department did review some of the fees that the consultant suggested. Some of those fees, we couldn't move forward. Then, there were some that we could move forward.

September 22, 2006

HONORABLE CITY COUNCIL

**RE: Response to Questions for the Department of Health and Wellness Promotion
Proposed New Fees**

The following is in response to inquiries made by your Honorable Body regarding the above-mentioned proposed fee submitted May 30, 2006.

Question #1

Has there been a decision as to whether all fees, both increases and new ones, will be brought before City Council?

Response

The current legal opinion from the Law Department is that only new fees that need to be established are required to be brought before City Council. Once a fee has been established with City Council approval, subsequent increases do not need to be re-submitted for approval.

Question #2

Were all the Food Sanitation Service Fee increases that were effective March 15, 2006 brought to Council for authorization?

Response

No. As stated above, established Food Sanitation Service Fees that were increased in March 2006 were not brought to Council for approval.

Question #3

Is this resolution a mix of new and existing fees?

Response

Only the "Second Reinspection" fee proposed at this time could be considered an existing fee. The other proposed fees are new. Please see response to Question 7 below for an explanation of "Second Reinspection".

Question #4

Are the Fumigation/Massage Operator/Instructor Renewal fees new?

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Response

Yes. Currently, there are existing fees and written examinations for initial Fumigation/Massage Operator/Instructor license approvals. However, annual renewals of currently licensed individuals do not require fees and examinations. Renewals are currently reviewed and processed without a fee. Therefore, the proposed new renewal fee will cover the cost to update applicant documents, and process and forward the approvals to the Business License Office.

Question #5

Are the Manufacturer/Renovator/Fumigator Inspections increases to existing fees?

Response

No. The established fees as previously submitted and approved by City Council (1992) consisted of different headings. The Bedding and Upholstered Furniture fees did not include inspections of Manufacturer, Renovator, or Fumigator establishments that may be located in Detroit. This fee is intended to cover the DHWP cost to perform inspections of any establishments that are located in Detroit.

Question #6

Is the On Site Plan Review/Consultation for \$120 new? Also, is it tied to the Maximus proposal of a Construction Plan review for \$500/day?

Response

Yes, the fee is a new fee associated with providing on-site consultation for proposed Child Care and Adult Foster Care facilities, as well as Proprietary and Private Schools that are licensed by the State of Michigan. The Construction Plan review process referred to in the Maximus Report is the DHWP portion of a separate Buildings and Safety Engineering Department's building construction permit process for the City of Detroit. Please see the response to Question 11.

Question #7

Is the "Second Reinspection" for \$120 new? Is it in the Maximus Study? What is a "Second Inspection"?



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Response

The "Second Reinspection" fee is a restructuring of an existing fee for additional inspections.

Background: The established fees for Community & Industrial Hygiene as previously submitted and approved by City Council (in 1992) consisted of different headings. Under the General Sanitation heading, inspection fees of Health Inspections for State of Michigan licensed Child Care and Adult Foster Care facilities, Private /Proprietary schools, and General Business License approvals included the following language:

"One (1) reinspection at no additional cost. Additional inspections \$100/hour, field time rounded to nearest fifteen (15) minutes."

Since the actual time, including travel time, tends to be about an hour for most additional (second) reinspections, it is much simpler, to send a standard invoice for \$120, which can be sent in advance, as opposed to calculating the fee cost based on documented field time and sending an invoice later.

The Second Reinspection may not be directly mentioned in the Maximus Study, however costs to do various inspections were. A Second Reinspection refers to additional reinspections of Child Care, Adult Foster Care, Private and Proprietary schools, and Detroit General Business License inspections when identified violations and or deficiencies were not corrected at the time of the first reinspection.

Question #8

Is the Dog License Renewal Late Fee for \$25 new? Is this fee mentioned in the Maximus Study under Animal Control?

Response

There is an existing dog license fee, but there is not an existing late license fee. This new fee was not reflected in the Maximus Study Report, however, following discussions with Maximus and knowing that other communities have this fee; it was determined to add this fee as a source of new revenue.

Question #9

Looking at the Maximus study of 2005 there are over 50 recommended increases under Community and Industrial Hygiene alone. Why have only 8 been brought before Council?

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Response

Only new fees have been brought to City Council through this resolution. Existing fees for Community & Industrial Hygiene have been reviewed and in most cases increased, primarily based on Maximus input

Question #10

Please explain the "Second reinspection".

Response

Please see response to Question 7. Applicants normally request one or more additional reinspections when violations or deficiencies identified during the initial inspection were not corrected at the time of the first reinspection. The applicant's license approval requires all significant violations and or deficiencies to be corrected at the time of final inspection.


Question #11

Please explain the On Site Plan Review - why is it so much less than the Maximus proposal of \$500/day?

Response

This new On Site Plan Review fee pertains to in-the-field detailed evaluations of buildings, rooms, and play areas of proposed new State of Michigan licensed Child Care and Adult Foster Care facilities and Private /Proprietary schools to establish suitability of the building and the maximum capacity permitted by State regulations. The process also verifies with Buildings and Safety Engineering (BSE) that the location meets appropriate land use restrictions. This new fee is intended to cover the cost to DHWP to evaluate proposed new locations or expansions of existing facilities into new areas of an existing building. This activity is not related to any construction approval process.

If any construction or building alternations are necessary, then the applicant must follow the separate BSE building permit process. The Construction Plan Review in the Maximus Study analyzed the costs associated with DHWP review and approval of construction plans as part of the BSE building permits approval process. Establishing fees for this activity needs additional study by DHWP before summitting proposed fees for Construction Plan Review.



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Question #12

Why weren't the 25 recommended fee increases by Maximus in Animal Control implemented?

Response

Existing fee increases proposed by Maximus were implemented by Animal Control and Care. Some of the Maximus proposed fees for Animal Control & Care (ACC) related to new veterinary services were not included because ACC does not provide the service.

Question #13

Will the dog License renewal late fee reduce the already paltry recovery cost you currently have on the enforcement fees? The DHWP only collects \$70,000 in revenue to cover a \$2.5 million cost and that is only for 5,500 units or dogs. If people don't want to pay the \$25 and don't come to you for a license then won't you also lose the \$10-15 that you already collect from them? If only 5,500 dogs are license, it has to be a fairly small percentage of the total pet dog population in the city, doesn't it?

Response

The Animal Control and Care Program is currently budgeted at \$1.4 million and collected almost \$130,000 in revenue during FY 2005/2006. Many communities in southeast Michigan have implemented late animal license renewal fees to enhance timely renewal of their pets' licenses. In addition, the Department expects to capture the license and late license fees from citizens' whose dogs are impounded; who have received citations for ordinance violations; and who are required to obtain a license as a decision of a court hearing. Therefore, the ACC program expects additional revenue by implementing this fee.

September 22, 2006

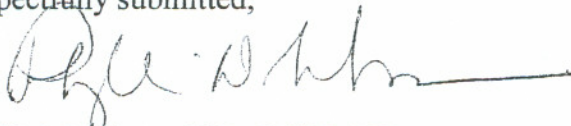
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It is true that only a small percentage of pet owners in Detroit purchase licenses for their dogs. We expect to increase the number of dog licenses during this fiscal year as we launch a pet responsibility campaign later this year.

Respectfully submitted,



Phyllis Meadows, PhD, MSN, RN
Director and Health Officer

PDM/DH/sn

cc: ☒ Kandia Milton
☒ Bruce King
Angela Hines
Donald Hamel
File